

A BILL FOR AN ACT

To establish a National Scholarship Board for the purpose of administering educational scholarship grant funds; to authorize the award of such grants pursuant to certain terms and conditions; to appropriate the sum of \$300,000 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 1988, for the purpose of funding scholarship grants to be awarded pursuant to this act; to authorize appropriations for fiscal years 1988 to 1991; and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Purpose. The purpose of this act is to establish a
2 National Scholarship Board for the administration and oversight of
3 post-secondary educational scholarship grants for citizens of the
4 Federated States of Micronesia.

5 Section 2. Definitions. As used herein, unless otherwise
6 indicated by the context:

7 (1) "Board" means the National Scholarship Board;

8 (2) "Compact of Free Association" means the Compact of
9 Free Association between the Federated States of Micronesia and the
10 United States of America;

11 (3) "Director of the Office of Education" means the
12 Director of the Office of Education of the Federated States of
13 Micronesia, or his designee;

14 (4) "Post-secondary education" means a course of study at
15 an institution of higher education which:

16 (a) Admits as regular students only persons having a
17 diploma from a school providing secondary education;

18 (b) Is legally authorized to provide a program of
19 education beyond secondary education; and

20 (c) Provides an educational program for which it awards
21 a bachelor's degree; a graduate or professional degree requiring study
22 beyond the bachelor's degree level; or which provides not less than a
23 2-year program which is acceptable for full credit toward a bachelor's
24 degree;

25 (5) "President" means the President of the Federated

1 States of Micronesia; and

2 (6) "Scholarship grant" means an award of financial
3 assistance for post-secondary education without an obligation to repay,
4 except through such services in the National or State interest
5 as may be required pursuant to this act.

6 Section 3. National Scholarship Board-Establishment and
7 membership. There is hereby established the National Scholarship Board
8 which shall consist of five members. The membership of the Board shall
9 be composed as follows:

10 (1) Four members shall be representatives of each of the
11 four States, to be appointed by the President in consultation with the
12 Governors of the respective States, and subject to the advice and
13 consent of the Congress of the Federated States of Micronesia; and

14 (2) One of the members of the Board shall be appointed by
15 the President to represent the National Government, subject to the
16 advice and consent of the Congress of the Federated States of Micro-
17 nesia; PROVIDED that the President may not appoint the Director of the
18 Office of Education or the rector of the Board of Regents of the
19 College of Micronesia.

20 Section 4. National Scholarship Board-Non-voting participants.
21 The Director of the Office of Education shall be executive officer of
22 the Board and shall have no vote. The rector of the Board of Regents
23 of the College of Micronesia, or his designee, shall be invited to
24 participate in a non-voting capacity in all the activities and meetings
25 of the Board.

1 Section 5. National Scholarship Board-Tenure of members.

2 (1) The members of the Board shall serve for 3 years;
3 PROVIDED, however, that when the Board is first appointed, two members
4 shall serve for a term of 2 years, and three members for a term of 3
5 years from the date of the organizational meeting of the Board. The
6 terms of the respective members shall be determined by drawing lots at
7 the organizational meeting of the Board.

8 (2) Any vacancy created on the Board shall be filled for the
9 remainder of that representative's term in the manner set forth in
10 section 3 of this act.

11 Section 6. National Scholarship Board-Organization and meetings.

12 (1) The Board shall elect from among its members, by
13 majority vote, a chairperson who shall serve for such term as may be
14 prescribed by the Board. In the event of the absence or disability
15 of the chairperson, the Board may designate another member to preside
16 during the meeting. Three members of the Board shall constitute a
17 quorum.

18 (2) The Board shall meet at such times and places within
19 the Federated States of Micronesia as it may designate, but not less
20 than once each year. The members shall be notified of meetings by
21 the Director of the Office of Education, in writing, at least 2 weeks
22 before the date of any meeting.

23 (3) The organizational meeting of the National Scholarship
24 Board shall take place no later than 60 days after the confirmation of
25 all members of the Board.

1 Section 7. Duties and functions of the National Scholarship

2 Board. The Board's duties and functions shall be as follows:

3 (1) The Board shall have the authority, consistent with the
4 provisions of this act, to award scholarship grants out of funds
5 appropriated for such purpose by the Congress of the Federated States
6 of Micronesia;

7 (2) All individual recipients of scholarship grants must be
8 citizens of the Federated States of Micronesia; PROVIDED, however, that
9 in addition any institution receiving scholarship grant funds awarded by
10 the Board from monies made available for such purpose by the United States
11 of America under section 216(a)(3) of the Compact of Free Association must
12 be a United States accredited, post-secondary educational institution
13 in the Federated States of Micronesia, the United States of America or
14 its territories and possessions, the Republic of the Marshall Islands
15 or the Republic of Palau;

16 (3) The Board shall establish eligibility requirements and
17 curricular criteria on which the award of scholarship grants shall be
18 based, which shall be designed to advance the purposes of the Federated
19 States of Micronesia National and State Development Plans by restricting
20 scholarship grant awards to students pursuing courses of study in
21 subject areas deemed to be high priority by the National and State
22 Governments of the Federated States of Micronesia. Each Board member who
23 is a representative of one of the four States shall be responsible, in
24 consultation with appropriate officials from his or her respective State,
25 for identifying the high priority subject areas of study for that State.

1 The entire Board shall be responsible, in consultation with appropriate
2 officials from the National Government, for identifying the high
3 priority subject areas of study for the National Government.

4 The requirements and criteria established pursuant to this subsection
5 shall also be designed to ensure that only students of high academic
6 achievement and demonstrated capacity to perform well in their chosen
7 fields of study, shall be awarded scholarship grants by the Board;

8 (4) The Board shall ensure that scholarship grants will be
9 distributed to recipients from each of the four States and at-large
10 in the manner set forth in section 8 of this act;

11 (5) The Board may specify scholarship grant award terms by
12 which recipients shall perform services in the National or State
13 interest as a condition for a scholarship grant award;

14 (6) The Board shall specify the procedures by which
15 applications for scholarship grants are to be taken and the process by
16 which final decisions on the award of scholarship grants are to be
17 made;

18 (7) The Board may establish any other terms and conditions
19 for the receipt and use of scholarship grants; and

20 (8) The Board, through its executive officer, shall prepare
21 and submit to Congress an annual report on the status of the scholar-
22 ship grant funds administered by the Board pursuant to this act and an
23 accounting of scholarship grants awarded, including, but not limited to,
24 the respective fields of study for which the scholarship grants are used,
25 and the proportion of scholarship grants awarded to recipients representing

1 each of the four States.

2 (9) The Board shall give due consideration to supporting the
3 growth and development of post-secondary educational institutions within
4 the Federated States of Micronesia in making its decisions on the award
5 of scholarship grants.

6 Section 8. Allocation of scholarship grant funds. The scholarship
7 grant funds administered by the Board pursuant to this act shall be allocated
8 as follows: National Government (at-large), 20 percent; Kosrae State, 10.4
9 percent; Pohnpei State, 23.2 percent; Truk State, 33.6 percent; and Yap State,
10 12.8 percent. The funds allocated to the National Government (at-large)
11 shall be available for scholarship grants to qualifying students
12 from any State of the Federated States of Micronesia.

13 Section 9. Administration and incorporation with the National
14 Student Loan Revolving Fund Program.

15 (1) The Director of the Office of Education shall administer
16 the scholarship program and implement the decisions of the Board.

17 (2) Within the first year after its organizational meeting
18 the Board shall review and analyze the National Student Loan Revolving
19 Fund Program, as established by Public Law No. 2-50, and amended by
20 Public Law No. 4-114, and recommend how to incorporate that Program into the
21 scholarship grant program administered by the Board. The Board
22 shall report its findings and recommendations, including
23 recommendations for statutory amendments, to the Congress in the first
24 annual report issued pursuant to section 7(8) of this act.

25 (3) The Director of the Office of Education shall institute

1 a record-keeping process to maintain information on the status and
2 whereabouts of all scholarship grant recipients and former scholarship
3 grant recipients, for a period of 10 years beyond the date of
4 termination of their grants, or until such time as their services in
5 the National or State interest obligations are fully satisfied,
6 whichever comes later.

7 Section 10. Promulgation of rules and regulations. The National
8 Scholarship Board with the approval of the President and in accordance
9 with chapter 1 of title 17 of the Code of the Federated States of
10 Micronesia is hereby authorized to issue and promulgate rules and
11 regulations implementing the provisions of this act, which rules and
12 regulations shall have the force and effect of law.

13 Section 11. Expenses and compensation of members. Members of the
14 National Scholarship Board shall be entitled to necessary travel
15 expenses and to per diem at standard Federated States of Micronesia
16 rates while on the business of the Board. Board members who are
17 neither employees nor officials of the Federated States of Micronesia
18 or any State government shall additionally be paid \$30 per day while on
19 the business of the Board. Any member of the Board concurrently
20 employed in another post in the Federated States of Micronesia National
21 Government shall be granted leave to attend the business of the Board,
22 and shall receive his or her regular salary while on the business of
23 the Board.

24 Section 12. Appropriation.

25 (1) The sum of \$300,000, or so much thereof as may be

1 necessary, is hereby appropriated from the General Fund of the
2 Federated States of Micronesia for the fiscal year ending September 30,
3 1988, for the purpose of funding scholarship grants to be awarded
4 pursuant to this act.

5 (2) All funds appropriated by this act shall be allotted,
6 managed, administered, and accounted for in accordance with applicable
7 law, including, but not limited to, the Financial Management Act of
8 1979. The allottee shall be responsible for ensuring that these funds,
9 or so much thereof as may be necessary, are used solely for the purpose
10 specified in this act, and that no obligations are incurred in excess
11 of the sum appropriated. The authority of the allottee to obligate funds
12 appropriated by this act shall lapse as of September 30, 1988.

13 Section 13. Authorization for appropriation. The sum of
14 \$300,000, or so much thereof as may be necessary, is hereby authorized
15 to be appropriated from the General Fund of the Federated States of
16 Micronesia for each fiscal year commencing in 1989 through 1991, for the
17 purpose of funding scholarship grants to be awarded pursuant to this act.

18 Section 14. Effective date. This act shall become law upon
19 approval by the President of the Federated States of Micronesia or upon
20 its becoming law without such approval.

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22 Date: 5/29/87

Introduced by: Tony Otto
Tony Otto

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Redley Killian
Redley Killian